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Foreign Crops and MARKETS



VOLUME 53

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U. S. Share in British Tobacco Market Up Sharply From Prewar (Page 353)

Europe's Milk Production Shows Gain Over 1945 But It Is Still Below Prewar.
Despite High Output Per Cow, U. S.-Canadian Production Down (Page 354)

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U. S. DEPARTMENT OF AGRICULTURE

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UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E N E W S

China's 1946 flue-cured crop is estimated at not more than 90,000,000 pounds, an abnormally low figure. Considerable portions of the crop may not reach cigarette manufacturing centers because much of the crop is grown in blocked areas. In light of the present low stocks and the low prospective supply, serious shortages of leaf are virtually certain to develop in the early months of 1947. This will result in the shutdown of cigarette factories and in a heavy reduction in the wholesale costs.

The Iranian Minister of Finance was authorized to purchase 55,000 short tons of barley from the surplus of this year's crop for export to the Government of India under a decree passed by the Council of Ministers September 4. Arrangements were discussed with the Ministry of Finance by an Indian purchasing agent to purchase barley for shipment to India at the free market rate provided that rate did not exceed a stipulated maximum, and provided delivery could be made in February. Indications are, however, that prospects for obtaining large amounts of barley at the desired price were not favorable.

Early seeding of small grains in Greece was favored by beneficial rains especially in the southern and western parts of the country. Fall plowing is progressing rapidly and barley is already up. Prospects for a normal sowing of winter wheat are favorable. Final estimates of the Ministry of Agriculture indicate that the 1946 grain crops were about 85 percent of the prewar (1935-38) average and acreage, about 87.5 percent of the average. The October rains also aided the development of the olive crop.

A Finnish-Danish Trade Agreement signed on November 16 provides that Denmark will ship Finland 5,000 tons of sugar, 4,000 tons of fish, 500 tons of beef, 500 tons of pork, 2,500 tons of butter, 600 tons of molasses, 1,000,000 crowns (about \$210,000) worth of plum sauce, and 200,000 (\$42,000) crowns worth of malt extract.

The Government of Brazil announced that rationing of sugar and meat will continue in Rio de Janeiro during 1947. At a press interview on November 11 the Minister of Finance stated that the Government was considering the lifting of price ceilings on all foodstuffs. The food situation continues bad although reports of increased shipments of wheat and flour from the United States in the near future have tended to relieve the tension created by the bread shortage. Meat continues in short supply but manioc, rice, and beans are available at comparatively high prices.

WORLD SOYBEAN PRODUCTION ABOVE PREWAR LEVEL

Preliminary estimates for the major soybean producing countries place the 1946 world production at 534.3 million bushels, compared with 543.2 million in 1945 and a 5-year (1935-39) average of 459.8 million. This rise above the prewar level was due largely to increased production in the United States and Canada.

During the 1935-39 period, the volume of soybean production was concentrated in Asia. The European crops were insignificant by comparison but played an important role during the Hitler regime. Soybean acreage expansion in the United States was one of the outstanding war efforts; production rose from 77 million in 1940 to 193 million bushels in 1943 and remains at approximately that figure. Canada also became a wartime producer with an estimated crop of more than a million bushels for the current season.

China's (excluding Manchuria's) 1946 production of 203 million bushels, though slightly smaller than the 1935-39 average, exceeds the crops of recent years and is the largest since the 1940 harvest of 216.8 million bushels. Production declined during the war years chiefly because of Japanese occupation of the principal growing areas and a shortage of labor and draft power.

Although China is normally the world's greatest soybean producer, relatively small quantities have been exported, and in some years since 1931 that country has been a net importer, obtaining small quantities of both beans and oil from Manchuria.

China's domestic consumption consists primarily of soybeans for human food. About one-fourth of the annual production is crushed for oil, 10 percent is used for feed, and 8 percent is required for planting.

While an official estimate is not available, indications are that Manchuria's 1946 crop is less than two-thirds of the 1935-39 average of 151.3 million bushels. Until 1942, Manchuria ranked second in importance as a soybean producer having almost a complete monopoly of world exports of both seed and oil. During 1935-39 shipments of seed and oil in terms of seed accounted for approximately 80 percent of the total entering world trade.

The United States forecast for 1946 soybeans is 192 million bushels, second only to the record of 193 million in 1943. Beginning with 1942, the United States became an outstanding producer of soybeans. From the 1935-39 average of 56 million bushels, production rose to 187 million in 1942 and has shown marked stability since that time.

This country became a net exporter of soybeans during the 1931-32 season (October-September), when total shipments were about 2 million bushels. In 1939-40 net exports of beans and oil in terms of beans amounted to more than 12 million bushels, and in 1945 the quantity was approximately the same.

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SOYBEANS: Acreage, yield per acre^a, and production in specified countries,
average 1935-39, annual 1943-46

Country	Acreage		Yield per acre		Production	
	Average 1935-39	1944	1945 ^{b/}	Average 1935-39	1945	1944
China ^{b/}	1,000	1,000	1,000	1,000	1,000	1,000
Manchuria	12,411	12,047	12,140	11,912	11,957	11,927
United States ^{c/}	8,992	-	-	-	16.7	16.5
Canada	3,042	10,684	10,415	10,873	9,477	10.5
Korea	10	36	36	44	54	54
Japan	1,921	-	-	-	-	-
Formosa	312	766	-	-	-	-
Netherlands Indies	17	-	-	-	-	-
Romania	889	-	-	-	-	-
Bulgaria ^{e/}	161	-	-	-	-	-
Yugoslavia	29	56	15	16	37	37
Hungary	5	-	-	-	-	-
Estimated world total excluding the Soviet Union ^{f/}	7	-	-	6	6	6

Estimated from official sources or estimated from foreign service reports and other information.

Office of Foreign Agricultural Relations.

^{a/} Preliminary.
^{b/} Partly estimated.
^{c/} Acreage harvested for beans.

^{d/} Average of less than 5 years.
^{e/} Beginning with 1943, figures include Southern Dobrudja.

^{f/} Office estimate.
^{g/} One year only.

^{h/} Includes estimates for the above countries for which data are not available and for minor producing countries.

The only other country in the Western Hemisphere that has reported a noticeable increase in commercial production is Canada. That country's output rose from 200,000 bushels in 1941 to more than a million in 1946. Canada's need for fats and oils may bring about a further increase in soybean production next season.

Japan's 1946 soybean harvest of 13.2 million bushels is the largest since 1939. According to the limited information available, production in Korea, Formosa, and the Netherlands Indies has likely declined from the 1935-39 figure.

Commercial production of soybeans in Europe has been greatly reduced since VE Day. Cultivation of this crop has been confined primarily to the Danube Basin countries with Rumania leading. About 80 percent of production was in Bessarabia, the Province later ceded to the Soviet Union. Production was stimulated by German companies operating in most of these countries in the late 1930's and in the war years. These companies distributed selected seed to growers and concluded advance contracts for the entire crop at guaranteed prices. The bulk of the soybeans thus sponsored was exported to Germany.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, Regina H. Boyle, Helen Francis, Russell Kifer, A. B. Lewis, and Robert J. Manovill.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

AUSTRALIAN WHEAT EXPORTS REDUCED

Australia's exports of wheat, including flour, placed at 37 million bushels for the year ended June 30, 1946, are among the smallest recorded. This compares with 59 million bushels for the preceding year and 57 million, the average for the 5-years ended June 1945. Exports shown cover the last 5 months of the past crop season and the first 7 months of the current crop year. The total thus reflects the reduced movement following the very small 1945 crop, as well as the low level of carry-over stocks and the below-average 1946 crop.

In view of the Combined Food Board's (now International Emergency Food Council's) effort to relieve most effectively the world shortage of food-grains by conserving shipping space, most of Australia's shipments of wheat and flour during the year were directed to near-by deficit areas.

India, Ceylon, Malaya, New Zealand, and Hong Kong were the principal destinations, with Australia's usual shipments to the United Kingdom to be supplied principally by Canada and the United States.

About 70 percent of the wheat shipments made during this period went to India, while New Zealand, Ceylon, and China account for the bulk of the remainder. The largest flour shipments were reported for Ceylon, with Malaya and India next in importance.

As a result of reduced harvest prospects, Australia was expected to export little wheat other than to meet existing commitments for the remainder of the crop season, ending November 30. The outlook for exports was also clouded by a shortage of coal, especially in New South Wales, at last report. The shortage had restricted the flour output since August, with some mills reduced to two shifts a day, instead of three, as in previous months. The coal shortage was also hampering delivery of wheat to the mills.

AUSTRALIA: Exports of wheat and flour by country of destination, year ended June 30, 1946

Destination	Flour in		Wheat including flour <u>bushels</u>
	Wheat	terms of wheat	
	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	
:	:	:	:
United Kingdom.....	-	150	150
Aden.....	-	496	496
Borneo.....	-	421	421
Ceylon.....	659	6,931	7,640
Hong Kong.....	310	1,296	1,606
India.....	9,123	4,368	13,491
Malaya.....	-	5,407	5,407
Mauritius.....	-	1,055	1,055
New Zealand.....	944	743	1,687
Union of South Africa....	286	-	286
Rhodesia.....	331	-	331
Pacific Islands.....	-	1,142	1,142
China.....	639	-	639
Egypt.....	-	7	7
Greece.....	-	359	359
Madagascar.....	-	91	91
Other countries.....	502	1,310	1,812
Total.....	12,794	23,926	36,620
Previous year.....	33,397	25,104	58,501
:	:	:	:

Compiled from official and unofficial sources. Flour exports have been put into wheat equivalent, assuming an extraction rate of 72.6 percent.

BRAZIL'S GRAIN
CROPS DAMAGED

Grain crops in the southern part of Brazil, especially in Rio Grande do Sul, have sustained extensive locust damage, according to recent reports. About half the wheat stands in the principal producing area of Rio Grande do Sul is reported as lost. Damage to wheat occurred too late in the season to permit reseeding, but the less extensive damage to the corn crop could be at least partly made up through replantings, which were progressing late in October.

The serious locust invasion began early in September when the insects entered Rio Grande do Sul from Argentina. This is the first serious invasion since 1932. In mid-August this year swarms of locusts also crossed from Uruguay, but little damage was reported, since the swarms stayed only a few days.

A campaign now being waged against the insects is handicapped by a shortage of satisfactory insecticides for large-scale use. The present plague is expected to continue until the spring of 1947.

COTTON AND OTHER FIBERS

COTTON: Spot prices of certain foreign growths and qualities in specific markets

Market location · kind, and quality	Date 1946	Unit of weight	Unit of currency	Price in: foreign currenc	Equivalent U. S. cent per pound
Alexandria		Kantar			
Ashmouni, good	:11-21:	99.05 lbs.	Tallari	45.25	37.74
Giza 7, good	:11-21:	99.05 lbs.	Tallari	44.50	37.12
Karnak, good	:11-21:	99.05 lbs.	Tallari	44.50	37.12
Bombay		Candy			
Jarila, fine	:11-21:	784 lbs.	Rupee	452.00	17.38
Broach, fine	:11-21:	784 lbs.	Rupee	550.00	21.15
Sind American, fine	:11-21:	784 lbs.	Rupee	592.00	22.77
Punjab " , 289-F, fine	:11-21:	784 lbs.	Rupee	632.00	24.31
Kampala, East African . .	:11-21:	704 lbs	Rupee	850.00	32.69
Buenos Aires		Metric ton			
Type B	:11-23:	2204.6 lbs.	Peso	2110.00	26.50
Lima		Sp. quintal			
Tanguis, Type 5	:11-23:	101.4 lbs.	Sol	165.00	25.03
Recife		Arroba			
Mata, Type 5	:11-22:	33.07 lbs	Cruzeiro	120.00	19.61
Sertao, Type 5	:11-22:	33.07 lbs.	Cruzeiro	125.00	20.43
Sao Paulo		Arroba			
Sao Paulo, Type 5	:11-22:	33.07 lbs.	Cruzeiro	147.50	24.11
Torreón		Sp. quintal			
Middling, 15/16".	:11-22:	101.4 lbs.	Peso	146.25	29.69 a/

Complied from weekly cables from representatives abroad.

a/ The 29.59 cents quoted last week should be corrected to 29.69 cents.

TOBACCOBRITAIN IMPORTS MORE
UNITED STATES TOBACCO

Imports of unmanufactured tobacco into the United Kingdom during the first 9 months of 1946 were 275 million pounds, valued at £39,026,000 (U. S. \$157,276,000). During the corresponding period of 1938 imports amounted to 259 million pounds valued at £17,034,000 (U. S. \$84,832,000). The United States supplied 234 million pounds, or 85 percent of the total imports for the first 9 months of this year, compares with only 74.4 percent of those in 1938.

Imports from Empire countries amounted to only 38.7 million pounds for January-September 1946, or 14 percent of the total compared with 62.1 million pounds or 24.1 percent for a similar period in 1938. The average valuation per pound during the 1946 period was about 57 U. S. cents, or 73 percent greater than in 1938, when the average valuation was only 33 cents.

UNITED KINGDOM: Imports of unmanufactured tobacco stripped and unstripped, January-September 1946, with comparisons

Country of origin	January-September 1938		January-September 1946	
	Quantity	Percent	Value	Percent
	of total	a/	Quantity	of total
:	: 1,000	: 1,000	: 1,000	: 1,000
:	: pounds	: Percent	: dollars	: pounds
Southern Rhodesia	14,152	5.5	4,364	13,352
Nyasaland	10,033	3.9	2,324	5,873
British India	24,414	9.4	5,820	10,816
Canada	12,070	4.7	4,354	7,793
Other British countries..	1,447	0.6	480	903
United States	192,537	74.4	65,818	233,959
Other foreign countries..	3,990	1.5	1,672	2,689
Total	258,643	100.0	84,832	275,385
;	;	;	;	;

Trade and Navigation of United Kingdom, September 1946.

a/ Converted at £=U.S. \$4.98 for 1938 period; £=U.S. \$4.03 for 1946 period.

NICARAGUA'S FLUE-CURED
CROP, IMPORTS LARGER

The 1945-46 crop of flue-cured tobacco in Nicaragua totaled about 500,000 pounds from 442 acres, compared with 350,000 pounds from 326 acres in 1944-45. The locally produced flue-cured leaf is usually blended with imported leaf, chiefly United States flue-cured and Burley, in the manufacture of cigarettes. Imports of leaf in 1945 amounted to 443,000 pounds, compared with an average of 300,000 pounds during the period 1940-44.

Increasing cigarette consumption in recent years has required the use of more imported leaf. In 1945, output of the principal cigarette company totaled 452 million pieces, compared with 429 million in 1944 and with the 5-year (1939-43) average of only 314 million. According to reports, the company plans to encourage increased domestic flue-cured production, but will continue to depend on imported supplies for use in blending with the local leaf.

LIVESTOCK AND ANIMAL PRODUCTS

MILK ESTIMATES FOR CHIEF PRODUCING COUNTRIES

Milk production in 1946 in the important European producing countries, showed a recovery from the low wartime levels, but North American production declined. European production, however, is still about 18 percent less than the prewar output, while that in the United States and Canada is expected to be 15 percent more. In Australia and New Zealand, production in the July 1945-June 1946 season was about 4 percent less than in the preceding season and about 11 percent below the prewar level.

Throughout Europe, pastures generally were better than in 1945 and in most countries there was an increase in cow numbers. Shortage of feed in Belgium and Sweden, and a combination of adverse weather conditions and feed shortages in the United Kingdom, Switzerland, the Netherlands, and Finland limited the increase in production. On the other hand, increased feed supplies in Denmark and France have resulted in increased production and greater output per cow. While production decreased in Canada and the United States, the output per cow was greater as a result of extensive culling of low-producing cows.

In Australia and New Zealand, droughts of considerable severity in the last 2 years have cut production below prewar, although Australian production in 1945-46 was above 1944-45. Rains since September have greatly improved production prospects for 1946-47.

A slight increase in dairy cow numbers in Denmark, together with the resumption of oilcake feeding, though on a smaller scale than prewar, helped to raise milk production in that country above the level of 1945. Although there has been a steady recovery in dairy cow numbers in the Netherlands, pastures in 1946 were retarded by drought during the spring months; as a result production was not much larger than that of 1945. The current annual rate of milk production in Belgium is reported at about 80 percent of prewar, because of a reduction of approximately 10 percent in dairy cow numbers and a slightly reduced yield per cow resulting from feed shortages.

In Switzerland, milk production did not maintain the indicated increase of the early months of this year. The feed supply was considerably reduced as a result of the adverse weather in late summer, particularly in north

central Switzerland, the principal dairying area. Sufficient imports of feed concentrates to supplement rations have also been impossible to obtain. Milk cow numbers in 1946, however, increased slightly over 1945, but are still 10 percent below prewar.

Milk production in the United Kingdom has shown a steady upward trend in 1946. On the basis of 9 months' production in 1946, the year's output is estimated to be approximately 4 percent higher than last year's. This increase is expected to be maintained in the last quarter as larger supplies of millfeeds for dairy cows become available.

In France, increased numbers of cows, greatly improved pasture conditions, and a slight increase in feed supplies have brought about a substantial increase in milk production from 22 billion pounds in 1945 to 24 billion in 1946.

Milk production in Finland is expected to show only about a 7 percent increase over 1945 output. Unfavorable weather conditions and shortage of feed prevented a greater recovery throughout the country. Dairy-cow numbers this year remained about the same as in last year. Sweden's milk production in 1946, while above that of a year ago, did not reach preliminary estimates, largely because of the shortage of feeds, which are being rationed.

Milk production in Australia in 1945-46 was 10.8 billion pounds, compared with 10 billion in 1944-45 and a prewar average of 11.8 billion. Production in 1946-47 is expected to lag behind the preceding season. Although weather conditions were excellent in the principal dairy State of Victoria and output was maintained at a satisfactory level, a serious drought was experienced in all the dairy districts of Queensland and the greater part of the dairying area of New South Wales, causing a decline in production in those important dairy States. Consequently, the cattle population is below normal and is being still further reduced in the drought areas.

Milk production in New Zealand in the 1945-46 season, on the basis of butter-fat production, is estimated at 8.2 billion pounds, compared with 9.6 billion pounds a year earlier. Production in the first half of the calendar year 1946 was greatly reduced by the drought and the liquidation of cows. Since that time, substantial rains aided pasture growth and helped to offset the feed shortage induced by the drought. Consequently, production in 1946-47 should be substantially above 1945-46.

In Canada, there has been a general downward trend in milk production since the beginning of the year. Many low producing milk cows were culled from herds during 1946. This has brought the number of dairy cows down to 2 percent below 1945 numbers. Owing to the reduction in milk cows and also to the shortage of forage in some parts of the Dominion, milk production probably continued smaller than a year earlier throughout the fall

months. Output in 1946 probably will be about 16.6 billion pounds, as compared with 17.6 billion pounds in 1945, a decline of a little more than 5 percent.

United States milk production is expected to be about 119 billion pounds, or about 2 percent below the record output of 1945. While production per cow in 1946 reached a new high as the result of well above average pasture conditions and liberal feeding of feed concentrates, this record rate of output was not enough to offset the reduction in cow numbers which occurred during the year. Heavy culling of cows during 1946 has apparently brought about a 4 percent decline in milk-cow numbers from the previous year.

MILK: Preliminary estimates of production in important producing countries, 1946 with comparisons a/

Country	Average	1945	Preliminary
	1934-38		1946
	Million pounds		Million pounds
United States.....	102,590	122,200	119,000
Canada.....	15,789	17,619	16,600
United Kingdom.....	18,424	16,194	16,840
Sweden.....	b/ 10,238	9,685	10,229
Denmark.....	b/ 11,684	9,447	10,169
Netherlands.....	b/ 11,180	7,334	7,743
Belgium.....	6,614	5,100	5,400
France.....	c/ 30,525	(22,000)	(24,000)
Switzerland.....	5,717	4,530	4,700
Germany.....	b/ 53,100	-	-
Finland.....	5,587	3,042	3,285
Australia d/.....	11,780	10,053	10,794
New Zealand d/.....	9,454	9,622	8,184
	:	:	:

Compiled from official sources.

a/ Cows' milk

b/ For the years 1933-37.

c/ For the years 1937 and 1938.

d/ Production year ending June 30.

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